worry that it will shrink a lot more as the government sinks deeper into debt.

Over the past 30 years Canadians have been promised that government will meet the lion's share of their most important security needs, but there is increasing evidence that these promises cannot and will not be kept. Our compulsory contributions to government programs have not guaranteed us anything. We are living on borrowed money and mortgaging our children's future to pay for government programs that are simply not working. We would all like to hope that these problems will somehow disappear but in our hearts we know they will not.

● (1010)

Government pension plans as currently constituted do not enhance social security. They pour it down the drain. The government as a pension manager is like an alchemist who can only change gold into lead.

There is something else to consider. Even if we were not losing programs, there are harmful social consequences from encouraging people to depend on government for their personal security. Canadians have a proud tradition of self–reliance, caring for our families and helping those less fortunate.

Many of our citizens have a strong desire to take back control of their resources, their futures and their own welfare. They are willing to be self–reliant and to show compassion for the needy. All they ask is that they be able to keep more of what they earn and that government exercise careful stewardship of necessary tax dollars.

If we move from failing social programs to a new plan, what will be the benefit? The greatest benefit is that your money will go into your own registered personal security plan, RPSP. The money is yours. The interest or profit from the investment of that money is yours. If you die, your loved ones get it. It is your property and your ownership of it does not depend on the management skills or financial health of government.

CPP and UIC turn taxes that are too high into benefits that are too small. The RPSP turns taxes into productive investments and productive investments back into social security. In addition, there are tremendous financial advantages to this type of plan.

Assume that an employee contributes five per cent to an RPSP account monthly, matched by five per cent from his employer. This is about the same amount as the present combined CPP and UI contributions. The employee works from age 20 to age 65. Also assume a moderate investment return of 8 per cent interest compounded quarterly.

A worker earning only $1,000 per month or only $12,000 per year would retire on $3,432 per month before tax for the rest of his life and would leave an inheritance of $514,812 for his family or other beneficiaries. This is someone who earns only $1,000 per month. No doubt this will be astonishing to many people because they have not realized how much more they could receive under an RPSP fund than under the government CPP and UI programs.

Let us look at what an average Canadian wage earner could expect from an RPSP. Someone earning $30,000 or $2,500 per month would retire on $8,580 per month before tax and would leave an inheritance of $1,287,031. Nothing like getting a huge raise when you retire.

The Reform Party will be providing Canadians with tables of such returns for different levels of income which demonstrate why they deserve a whole new system to ensure personal security.

Canada lags behind other countries when it comes to moving toward more rewarding and effective measures in this all important area.

A system similar to the RPSP plan was successfully implemented in the United Kingdom in 1978. Current pensioners were made secure at existing levels of benefits, while future pensioners were given a chance to move into the more attractive retirement option.

Britain's long term pension liability was reduced by more than 30 per cent in the first three years alone of the opting out plan's operation. This guaranteed that future taxpayers will not be overburdened as British baby boomers began to retire.

● (1015)

Chile successfully privatized its pension system more than 15 years ago, in 1981. Like Canada, an increasing number of Chileans were retired compared to citizens still in the workforce. The level of seniors' benefits was exceeding the level of contributions and, like Canada's CPP, Chile's pension plan was a pay as you go scheme.

Because the scheme was broke, Chile moved to a mandatory savings plan requiring employees to place a minimum of 10 per cent of their taxable income into tax sheltered individual retirement accounts managed by competing private sector financial managers.

The results have been remarkable. Private savings in Chile rose from 2.8 per cent of GDP in 1980 to 14.3 per cent in 1991. Very importantly, they have provided investment capital which has been pivotal in the near–miraculous financial renewal of Chile's economy.

I believe that the experiences of the U.K. and Chile provide evidence that there would be tremendous advantages to our own country in looking for similar, innovative solutions to some of the worrisome uncertainties about our own personal security which we see looming on the horizon.

These are some further benefits we see to moving our UI and CPP contributions into our own personal RPSPs. First, working Canadians would be gradually relieved of the burden of paying